

Message Text

UNCLASSIFIED

PAGE 01 BUDAPE 01143 221414Z

63

ACTION EUR-12

INFO OCT-01 EB-07 EA-10 ISO-00 /030 W

----- 119381

R 221332Z APR 75

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC 3045

DEPT OF COMMERCE WASHDC

INFO AMEMBASSY BELGRADE

AMEMBASSY BUCHAREST

USDEL MTN GENEVA

AMEMBASSY MOSCOW

AMCONSUL MUNICH

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY VIENNA

AMEMBASSY WARSAW

UNCLAS BUDAPEST 1143

E.O. 11652: N/A

TAGS: EFIN, HU

SUBJ: OPENING OF KREDITANSTALT BUDAPEST OFFICE AND
STATUS OF EFFORTS BY U.S.FIRMS TO OPEN OFFICES
IN HUNGARY

1. ON APRIL 21 KREDITANSTALT OF VIENNA OFFICIALLY OPENED BUDAPEST REPRESENTATIVE OFFICE WHICH APPROVED BY HUNGARIAN NATIONAL BANK IN MID-1974. OFFICE, WHICH IS FIRST OF ANY WESTERN COMPANY OTHER THAN AIRLINE TO OPEN IN HUNGARY SINCE LATE 1940S, WILL NOT BE PERMITTED TO UNDERTAKE BANKING FUNCTIONS AND WILL PRIMARILY CONCERN ITSELF WITH TRADE PROMOTION ACTIVITIES. KREDITANSTALT MANAGER WILL BE A RELATIVELY JUNIOR OFFICER WHO WILL BE RUNNING OPERATION FROM HIS RESIDENCE UNTIL SUITABLE OFFICE SPACE CAN BE FOUND.

2. INABILITY TO FIND ADEQUATE OFFICE FACILITIES CONTINUES TO BE A PROBLEM FOR FIRST NATIONAL CITY BANK WHICH TO DATE HAS BEEN UNABLE TO FIND SUITABLE LOCATION.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BUDAPE 01143 221414Z

WHILE HUNGARIAN NATIONAL BANK OFFICIALS STATE THAT THEY

HAVE BEEN TRYING TO HELP FNCB IN ITS SEARCH, THEY ACKNOWLEDGE THAT OFFICE SPACE PROBLEM "A VERY DIFFICULT ONE." IT APPEARS NOW THAT OPENING OF FNCB BUDAPEST OFFICE, WHICH ORIGINALLY SCHEDULED FOR APRIL, MAY NOW BE DELAYED FOR AT LEAST 2-3 MONTHS.

3. SECOND AMERICAN FIRM TO ASK FOR PERMISSION TO ESTABLISH BUDAPEST OFFICE, DOW CHEMICAL, HAD ITS APPLICATION FORMALLY ACCEPTED BY MINISTRY OF FOREIGN TRADE ON MARCH 27. ACCORDING TO HUNGARIAN DECREE GOVERNING ESTABLISHMENT OF OFFICES BY FOREIGN FIRMS, MINISTRY HAS 90 DAYS FROM DATE OF ACCEPTANCE OF APPLICATION TO ACT ON DOW REQUEST. DOW AND VOLVO ARE ONLY WESTERN FIRMS WHICH HAVE THUS FAR FORMALLY REQUESTED PERMISSION TO OPEN OFFICES IN BUDAPEST ALTHOUGH A NUMBER OF JAPANESE COMPANIES ARE ACTIVELY INTERESTED IN HAVING THEIR OWN OFFICES. REGULATIONS CONCERNING TAXATION OF THESE OFFICES, WHICH WERE EXPECTED TO BE PUBLISHED BY MINISTRY OF FINANCE IN FEB, HAVE YET TO APPEAR.
MCAULIFFE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE PROMOTION
Control Number: n/a
Copy: SINGLE
Draft Date: 22 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BUDAPE01143
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750141-0163
From: BUDAPEST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750426/aaaaaxvn.tel
Line Count: 81
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 01 DEC 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 DEC 2003 by ThomasVJ>; APPROVED <30 DEC 2003 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OPENING OF KREDITANSTALT BUDAPEST OFFICE AND STATUS OF EFFORTS BY U.S.FIRMS TO OPEN OFFICES
TAGS: EFIN, ETRD, BEXP, HU
To: STATE COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006